

**SUNAIR SERVICES CORPORATION**  
**COMPENSATION COMMITTEE CHARTER**

**Organization**

There shall be a committee of the Board of Directors of Sunair Services Corporation ("Corporation"), which shall be known as the Compensation Committee ("Committee"). The Committee shall be composed entirely of directors that shall be independent of the management of the Corporation and free of any relationship that, in the opinion of the Board of Directors, would interfere with their exercise of independent judgment as a Committee member. Each member of the Committee shall be a "non-employee director" as such term is defined in Rule 16b-3 of the Securities Exchange Act of 1934, an "outside director" as such term is defined in regulations of the Internal Revenue Code of 1986 and meet the independence requirements under the American Stock Exchange Company Guide. The members of the Committee shall be appointed by the Board of Directors, and may be removed by the Board of Directors. The Board of Directors shall designate one of the members as the Chairman of the Committee. The Committee may form and delegate authority to subcommittees as deemed necessary or appropriate, in accordance with applicable law, regulation or the American Stock Exchange Company Guide.

**Statement of Purpose**

The purposes of the Committee are to: (i) discharge the responsibilities of the Board of Directors relating to compensation of the Corporation's Chief Executive Officer and other executive officers; (ii) review and discuss with the Corporation's management the Compensation Discussion and Analysis ("CD&A") to be included in the Corporation's annual report on Form 10-K and, as applicable, the Corporation's proxy statement, and to determine whether to recommend to the Board of Directors that the CD&A be included therein; and (iii) provide the Compensation Committee Report for inclusion in the Corporation's proxy statement that complies with the rules and regulations of the Securities and Exchange Commission.

**Responsibilities of Committee**

The Committee will, in fulfilling its purposes, have the following authority and responsibilities:

- 1) The Committee will meet as often as its members deem necessary or appropriate to perform the Committee's responsibilities. The Committee may meet in person or by telephone conference call, and may act by unanimous written consent.
- 2) The Committee will make regular reports to the Board of Directors and will propose any necessary or appropriate action to the Board of Directors.
- 3) The Committee will be directly responsible for establishing annual and long-term performance goals and objectives for the Corporation's Chief Executive Officer and other executive officers, as well as setting the overall compensation philosophy for the Corporation. In determining the long-term incentive component of the compensation of the Corporation's Chief Executive Officer and other executive officers, the Committee may consider: (i) the Corporation's performance and relative shareholder return; and, (ii) the value of similar incentive awards to chief executive officers and executive officers at comparable companies.

- 4) The Committee will, in fulfilling its compensation responsibilities:
- review and approve performance goals and objectives relevant to the compensation of the Corporation's Chief Executive Officer and other executive officers;
  - evaluate the performance of the Chief Executive Officer and other executive officers in light of approved performance goals and objectives;
  - establish the compensation of the Chief Executive Officer and other executive officers based upon the evaluation of the performance of the Chief Executive Officer and the other executive officers;
  - advise the Board of Directors on the setting of compensation for senior management whose compensation is not otherwise set by the Committee;
  - grant options and awards under the Corporation's existing stock incentive plan;
  - subject to the necessary approval of the Corporation's Board or Directors and/or the Corporation's shareholders, propose the adoption, amendment and termination of any stock option plans, pension and profit sharing plans, stock bonus plans, stock purchase plans, bonus plans, deferred compensation plans, and other similar programs ("Compensation Plans");
  - make recommendations to the Board of Directors with respect to the Compensation Plans;
  - administer the Compensation Plans in accordance with their terms;
  - review and approve any severance or similar termination payments proposed to be made to any current or former executive officer of the Corporation; and
  - review such other compensation matters as the Chief Executive Officer or the Board of Directors of the Corporation requests.
- 5) The Committee will review and discuss with management the Corporation's disclosures under the CD&A as required by the SEC pursuant to Item 402(b) of Regulation S-K under the Securities and Exchange Act of 1934, and based on such review and discussion, make a recommendation to the Board of Directors as to whether the CD&A should be included in the Corporation's annual report on Form 10-K and, as applicable, the Corporation's proxy statement.
- 6) The Committee will prepare a report to be filed with the Corporation's proxy statement for each year's annual meeting of shareholders, which shall disclose the compensation policies applicable to the Corporation's executive officers, and which shall state whether the Committee has reviewed and discussed the CD&A with management and recommended that the CD&A be included in the Corporation's annual report on Form 10-K and, as applicable, the Corporation's proxy statement.
- 7) The Committee will annually evaluate the adequacy of this Compensation Committee Charter, and will recommend any proposed changes to the Board of Directors for approval. The Committee will annually evaluate the Committee's own performance.

## **Authority and Resources**

In discharging its duties, the Committee shall have the authority to select, retain, terminate and approve the fees and other retention terms of special legal, accounting or other consultants to advise the Committee as it deems necessary and appropriate. The Committee may request any officer or employee of the Corporation or the Corporation's outside counsel to attend any meeting of the Committee or to meet with any members of, or consultants to, the Committee.